

Chono

14 February 1968

NOTE FOR THE FILE

SUBJECT: Mr. Tony Coelho

1. Received a call from Mr. Tony Coelho, Assistant to Representative B. F. Sisk (D., Calif.). Although several attempts were made, I was unable to reach Mr. Coelho during the afternoon. He was continuously tied-up on the telephone.

SIGNED

[Redacted Signature]

Assistant Legislative Counsel

STATINTL

OGC Has Reviewed

14 February 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Cost-of-Living Adjustments of Military Retired Pay -
P.L. 90-207

1. General Rule. Generally, a member who retires before the effective date of a cost-of-living adjustment receives the benefit of that adjustment (10 U.S.C. 1401(b)).

2. Exception One. Eligibility for both a cost-of-living increase and a legislative pay increase provides some overlapping and duplication and leads to certain inequities on the retirement rolls. This is eliminated by preventing an otherwise eligible member from receiving the full cost-of-living adjustment if his retired pay is based on a legislative pay increase which becomes effective after the month used to determine the amount of the last cost-of-living adjustment. His adjustment is limited to the cost-of-living increase that has occurred since the legislative pay increase, more precisely the month preceding the effective date of the legislative pay increase (10 U.S.C. 1401 (c)).

3. Exception Two. Since retired or retainer pay is computed on basic pay at time of retirement, a member who retires after the effective date of a cost-of-living adjustment would receive less retired pay than a member with the same basic pay and years of service but who was eligible for the adjustment. To overcome this inequity retired pay may be adjusted for cost-of-living purposes as of the date of retirement to reflect the cost-of-living increase from the members last legislative pay increase to the month used for the last cost-of-living adjustment (10 U.S.C. 1401(d)).


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Approved For Release 2003/02/27 : CIA-RDP71B00364R000100070043-3

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